

479384

FAX COVER SHEET

Raintree Nursery
Mel & Lerah Parker
5000 Hwy. 37 North
Libby, MT 59923
Lincoln
406-293-9705
406-293-9705

SEND TO/ AN/ POUR Company name/ Firmennamen/ Société	From/ Von/ De
Attention/ Zu Händen von/ A l'attention de	Date/ Datum/ Date 5-05-2000
Fax number/ Fax nr./ N° de fax	Phone number/ Telefon/ N° de tél.

- ☐ Urgent/
Dringend/
Urgent
 ☐ Reply ASAP/
Rückantwort/
Réponse urgente
attendue
 ☐ Please comment/
Erläuterung/
Commentaires
attendus
 ☐ Please review/
Überprüfung/
A vérifier
 ☐ For your information/
Kenntnahme/
Copie pour information

Total pages, including cover sheet
Anzahl der übermittelten Seiten inkl. Deckblatt
Nombre de pages (Page de garde incluse)

COMMENTS/ ANMERKUNGEN/ COMMENTAIRES

Matt:

Jack Watten was giving this
proposal along with Allen Stronger (Company-
rep.)
here in our office in the Spring
of 1994. Jack Watten - at that
time was a high up official of
W.R. Grace & was representative W.R. Grace
as to buyers of the property. Took
our proposal and left.
Now - Here is half owner in the
Kootenai Development Co. who owns
the mind. all land around the mine.
3500 acres.

W.R. Grace signs Consent Degree for NESHAP violations

- ◆ Payment of civil penalty: \$510,000
- ◆ Engage in compliance program of 29 facilities around the United States

Montana adopts Water Quality standards**W.R. Grace sells mine site to Kootenai Development Company (KDC)****1995****DEQ/Environmental Management Bureau (EMB) reviews permits**

- ◆ Operating permit and Replacement bond issued in both seller and purchasers names
- ◆ KDC discovers refuse disposal site
 - DEQ approves Mine Refuse Site Reclamation Plan-revision 95-001

DEQ (DHES/Occupational Health conducts inspection)

- ◆ Follow up letter sent explaining authority at the mine site
- ◆ Complaint referred to Air Quality Division
 - Due to road dust (asbestos or not)

1996**DEQ/EMB contacted by KDC**

- ◆ Requests information to become a supplier of rip rap (syenite)
 - Minor Permit Revision granted by KDC #96-001
- ◆ Requests bond release of the remaining permitted area of 1025 acres

Montana adopts ARM 17.8.706

- ◆ Hazardous air pollutants list effective 8/23/96 as described in the Federal Clean Air Act section 112 (b)
 - Human health risk assessment emissions inventory listing of all pollutants on list and DEQ may impose additional requirements for permit

1997**EMB site activity**

- ◆ EMB conducts site inspection
- ◆ KDC submits annual report
- ◆ Bond release inspection, public review and approval granted December 30th. Releases 900 acres, 125 acres remain bonded at \$66,700

1998**EMB site activity**

- ◆ KDC submits annual report
- ◆ Conducts site inspection

PROPOSAL TO PURCHASE
W.R. GRACE PROPERTIES

Ownership:

W.R. Grace & Co.
Att: Alan Stringer
P.O. Box 609
Libby, MT 59923

Buyer:

Raintree Nursery
Mel & Lerah Parker
769 N. Central road
Libby, MT 59923

September 27, 1993.

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE AND SALE AGREEMENT entered into the 27 day of September and year 1993 written by and between RAIN TREE NURSERY, a sole proprietorship. ("Purchaser"), and W.R. Grace & Co., a corporation (hereinafter called "Seller"). Subject to the terms and conditions contained herein, Purchaser hereby agrees to purchase and Seller hereby agrees to sell, on the terms set forth below, approximately 3500 acres of land in Section 10, 11, 13, 14, 15, 21, 22, 23, 24, 26, 27, 28, Township 31 North, Range 30 West, P.M.M., Lincoln County, Montana (the "Property").

1.) Purchase Price. The total purchase price for the property shall be two million dollars (\$2,000,000) which will include the monies needed to secure the reclamation bond through the state of Montana. Payable in all cash at closing.

2.) Condition of Title - Title Insurance. Seller shall convey title to the Property to Purchaser at closing by Statutory Warranty Deed, free and clear of all encumbrances, liens and defects, except those approved by Purchaser.

At closing, seller shall furnish to Purchaser an ALTA Owner's Policy of Title Insurance issued by a title insurance company designated by Seller and acceptable to Purchaser insuring Purchaser in the amount of the purchase amount against any loss or damage by reason of defect in Seller's title to the Property, other than exceptions approved by Purchaser. Said title company shall also act as closing agent.

3.) Closing. The transaction shall be closed at the office of closing agent within thirty (30) days after title insurance policy or a report preliminary thereto is delivered showing title insurance. The Purchaser and Seller will deposit on demand with the closing agent all instruments and monies necessary to complete the purchase in accordance with this Agreement. The Purchaser and Seller shall use their best efforts to close said transaction as soon as possible.

4.) Closing Costs and Prorations. At closing, Seller shall pay one half of the closing agent's fee, and the premium for the Owner's ALTA Title Insurance Policy. At closing, the Purchaser shall pay the cost of recording the deed and one-half of the closing agent fee.

5.) Timber Cutting. Seller represents to the best of its knowledge no timber has been cut on, or removed from, the Property since September 27, 1993. Seller covenants that neither it nor any person claiming by or through Seller shall cut or cause to be cut any timber on the Property or cause fallen timber to be removed from the Property, from the of this Agreement, whichever occurs first. The representations and covenants contained herein are intended to survive closing.

6.) Risk of Loss. If prior to closing the Property shall be destroyed or significantly damaged by fire or other casualty, including timber cutting, this Agreement, at the option of the Purchaser, shall be null and void.

7.) Hazardous Waste. Seller represents and warrants to Purchaser that there are no hazardous substances, hazardous wastes or toxic materials (as defined in any applicable federal, state, county, or local government or laws, codes or ordinance) on or in the Property. Seller shall indemnify and hold Purchaser harmless from any and all liability with reference thereto. The warranties of Seller shall survive closing.

8.) Miscellaneous. Purchaser will assume all present and future responsibilities and expenses incurred to comply with Water Quality Testing, State Inspections, Reclamation Site Maintenance, and long term Revegetation, along with Tailing Dam and Diversion Channel Maintenance, and Monitoring as well as providing necessary Bonding Requirements through Montana Bureau of Reclamation and Bureau of Dam Safety.

9.) Possession. Purchaser shall be entitled to possession on closing.

Purchaser: Raintree Nursery
Mel and Lerah Parker
769 N. Central RD.
Libby, MT 59923

Seller: W.R. Grace & Co.
ATT: Allen Stringer
P.O. Box 609
Libby, MT 59923

**Let each acre of Land with its
given resources and physical attributes
contribute to a balanced environment
which makes this world a productive
Place to live.**

In Conjunction with the enclosed "Buy and Sell Agreement" for those W.R. Grace Lands North of Hi-Way 37# in T 31 N R 30 W P.M.M. Lincoln County, Montana I submit my future goals and objectives for the timberlands and reclamation site.

I am a Professional Forester and was a Land Manager for the St. Regis Paper Company for twenty years. I was responsible for all activities on 65,000 acres of Company Fee Land with the primary objective of timber production and regeneration.

I have no mining background, but in this instance, it is not the expertise in Ore Extraction and Refining that is relative to the property but rather the return to its previous status of timber, shrubs and grasslands.

The W.R. Grace Lands, for purposes of this overview, have been segregated into two categories: TIMBERLANDS AND RECLAMATION Site.

TIMBERLANDS: (Approximately 2,500 acres)

- Since 1982 there has been a timber harvest of 7 (seven million board feet). This came about through:
 - Mine Expansion
 - Retention of timber rights by U.S.F.S. on mining claims.
 - Bark Beetle Infestation of the Lodgepole Pine Species.

- Sanitation cuts to remove the dead and dying trees

The condition of the Forest on the 2,500 acres of Timberlands falls under the following "Stages" in their progress to maturity.

SEEDLING STAGE - (young trees up to 1" in diameter)

- Since 1982 when it was recognized that the Lodgepole Pine trees were under attack by the Mountain Pine Beetle approximately 270 acres of clearcuts were necessary to eliminate the beetle problem. Some of these have re-seeded from the sides, however there are many blank acres which need to be re-planted. The objective for these clearcuts is to inter-plant with the natural seedlings so that approximately 350 young trees are growing for each acre of clearcut. These would be either Western Larch, Ponderosa Pine, or Douglas Fir trees spaced at 12' x 12' spacing. The trees would be grown at our Own Forest Nursery and the seed would be collected from those trees adjacent to the above mentioned clearcuts.

SAPLING STAGE: - (trees from 1' to 5" in diameter).

Prior to the earlier acquisition of U.S.F.S. Lands for mining claims, by W.R. Grace, the timber had been already been harvested, and since that time the Land has re-seeded naturally to dense stands of Douglas Fir and Ponderosa Pine.

These Stands which are now 20 years plus in age have stagnated in growth. However, by thinning these trees with chain saws to an approximate 12' x 12' spacing they would once again receive the light and nutrients needed to maximize their growth potential.

COMMERCIAL THINNING STAGE: (8" plus in diameter at breast height)

Considerable acreage now owned by W.R. Grace had its timber origin from the 1910 Burn. These Stands of Ponderosa Pine and Douglas Fir are currently about 85 years old, however. increment borings to the standing trees indicate stages of stagnation due to competition for space to grow. These trees which vary in diameter at breast height would be spaced out at 20' x 20', and the interim trees would be removed in a Harvest Cut. This is basically an advanced condition of the "Sapling Stage" which was not thinned when it was small. These remaining thinned out trees have shown the potential to produce 1/4" plus growth in diameter each year after being released.

UNEVEN AGE STAND STAGE:

- There exists on W.R. Grace Timberlands two "Stages" of uneven aged timber. These are brought about by three different ages classes of trees dating back to 1790, 1880 and 1910.

STAGE 1. - OLD GROWTH TIMBER (1790) UNEVEN AGE MANAGEMENT

- These are the old mature trees which date back to 1790 and are presently 200 years plus old. The Stands are deteriorating, have increased disease, rot and dieback in the crown foliage.
- Fortunately, over the past decades an understory of younger trees was established beneath the canopy of the old growth Ponderosa Pine, Douglas Firs, and Western larch.
- Using a guideline of established "Best Management Practices" developed by the Montana State Department of Natural Resources, the harvesting of the old growth would be in phases to preserve the younger understory.

STAGE 2 - SECOND GROWTH TIMBER (1880 & 1910) UNEVEN AGE MANAGEMENT

- These are stands of timber which originated in 1880 or later after the fire of 1910. They form two different height classes due to their variance of forty years in age. Both of these 1880 and 1910 trees classes show excellent released condition. The trees to be left would be marked with paint and the spacing between trees is relative to the height and diameter of each "Leave" Tree.

On the W.R. Grace Timberlands of approximately 2,500 acres there are 98 stands of trees which fall under one of the five stages mentioned above. Each of The stands would be numbered and prioritized to meet the time frame needed to schedule the final long term management plan.

The W.R. Grace timberland objective under proper Management is actually very simple. Over the long term we can grow a crop of mature trees in 80 years. Therefore, over the 2,500 acres of Timberland we would eventually have 80 different age classes of trees. Whatever growth is put on each year could be harvested from the crop of trees that reaches 80 years of age at the end of the rotation or harvest age.

The trees which are left to grow on the land act as the principle and the net growth of wood each year is the interest collected..

The effort to re-establish these multi-aged stands is the overall target for all phases of management on both the Timberlands and eventually the reclamation acres of the W.R. Grace Property.

RECLAMATION SITE:

The actual mining site which includes not only those acres where the ore was extracted and processed but the tailings area which covers the waste area, tailings pond, dam and lower pond involves approximately 1000 plus acres.

It has been stated that W.R.Grace has exceeded their commitments for fulfilling the reclamation requirements established by the Reclamation Laws of 1971. At this point in time grasses, shrubs, forbs and trees have been established through out the reclamation site.

Our concern as owners of the mining site would be to concentrate on re-establishing native conifer trees wherever possible. Most conifers trees prefer an acid type soil of 5 to 5.5 . The soil on the mine site tend to be alkaline which creates a deficiency in basic nutrients.

THIS PROBLEM CAN BE CORRECTED AS FOLLOWS:

- 1.) To collect seed from other conifer trees adjacent to the mine site. Over time these trees have developed a genetic compatability toward more alkaline soils.
- 2.) Adding peat or decomposed organic material (rotton logs) and harrow the ground for mixing. This will tend to acidify the soil.

- 3.) Leaching the soil with different experimental combinations of sulfur and using sulfuic acid on the more recently dumped sites.
- 4.) Individual applications of nitrogen, phosphorus and potassium to the seedlings when they are planted and in the Fall of subsequent years until the seedlings have been established over a 5-6 year period.
- 5.) Undoubtedly, there are extensive rock outcroppings and side slopes where trees will not grow on the mine stie. The existing grasses, forbs have currently taken hold and for these areas it is a matter of maintaining this cover crop. Continual advancement at Agricultural Experimental Research Stations, are providing new varieties of grasses, shrubs and forbs, which are deep rooted, drought resistant and adaptive to alkaline soils.
- 6.) There are sites on the Kootenai National Forest, especially where Western Larch is growing, which have very high alkaline soils. These soils may have a Ph level exceeing that of the W.R. Grace Mining Site.

Seed would be collected from these stands and tested on the Reclamation Site.

- 7.) Our current business in is that of growing Conifer Seedlings for Reforesting Timber Lands on Public and Private Property. Over the past years my wife and I have developed the capability and expertise which would continually allow us to work on revegetating the mining site. The effort to not only stabilize the soil, but also maximize the potential of each acre of ground is the foremost objective of the W.R. Grace property

- Each year a portion of our nursery stock would be dedicated and designated to a pre-planned section of the property. This would be either where a problem had developed or was imminent, or from scheduling through previous planning.
- The treatment of those sites most apt to become a problem, would be prioritized and eventually the entire mining site through exhaustive monitoring and experimenting and successful planting would be stabilized and productive.

By addressing the proposed basic plan for managing the W.R. Grace Timberlands and Reclamation Site there are amenities which need references.

A.) WILDLIFE

In the upper (Northern and Eastern) Sections of the W.R. Grace property there is approximately 2,600 acres which are uninfluenced by roads. Vehicles access to this area is currently controlled by W.R. Grace and a no admission, no hunting policy has been in effect for many years.

This upper area is a main travel corridor for deer and elk between the large Winter range above the Kootenia River to the West and the high country Summer Range to the East. During the regular hunting season this lower basin of Rainy Creek, Fleetwood and Carney Creek which is owned by W.R. Grace is a security zone for these animals.

There is by no means, an over-population of wildlife in this area and our objective is to maintain the same policy of road closure, no hunting, no trespassing as was conducted by W.R. Grace.

B: WATERSHED:

It is encouraging that the three streams which flow through W.R.Grace Lands are known to be creators of high water flows. These drainages tend to release run off over a longer period of time and they show very little evidence of erosion problems associated with increased run-off.

There has not been nor is there presently a sediment source or build up within stream channels due to Timber harvest and road construction. Based on the U.S.F.S. R-1 WATSEP Model, the sediment production within these drainages is within acceptable levels.

With the monitoring for heavy metals, asbestosform fibers, arsenic, petroleum hydrocarbons over the next three years, it should be indicative that these numeric criteria are not currently exceeded and with the closure of the mining operation, they would continue to decrease.

The liability of Water Quality will reduce with the passage of time and with an intensive management plan which integrates all activities toward a naturally balanced environment.

SUMMARY:

It is easier to build a new house than to remodel an old one. The W.R. Grace properties referred to in in this proposal constitute the analogy of a "New House".

The past activities on the timber lands has been that of sound sanitation cuts to remove dead and dying trees. Included with this was the necessary harvest of all the infected and susceptible Lodgepole Pine trees due to a Bark Beetle infestation.

There has not been Corporate pressure to overcut the timber to justify the ownership of the land. This is unusual in this age of "Cut and get Out".

The mining site has been reclaimed to its presently acceptably status.

The tools are there, on the land, to establish a long term, economically viable, and environmentally sound management plan.

I know that I can use these tools properly in conjunction with my Forestry Expertise to put the property in perspective with the goals outlined in this overview.

Respectfully,

Mel Parker